

GRANT ADMINISTRATION

PURPOSE

To establish guidelines for the application, acceptance, administration, and financial reporting of grants including, but not limited to federal, state, local, and restricted donations (also considered grants for the purpose of this policy).

POLICY

A. Grant Application and Responsibility

Individual departments are encouraged to investigate sources of funding relevant to their respective departmental activities.

The individual department applying for a grant or receiving a restricted donation shall generally be considered the Program Administrator of the grant. The Accounting Division of Administrative Services may assist in the financial administration and reporting of the grant but the Program Administrator is ultimately responsible for meeting all terms and conditions of the grant, insuring that only allowable costs are charged to the grant program and is responsible for adhering to City budgeting and fiscal procedures. Individual Departments and Program Administrators are not authorized to execute grant contracts. Grant contracts should be reviewed by the City Attorney's office and executed by the City Manager and or City Council.

B. Grant Acceptance & Appropriation by City Council

Even though the funding source for an activity may be provided by a grantor/donor, only City Council can appropriate funds for official City activities except as authorized by Council Policy F-3 (Budget Adoption and Administration). Therefore, prior to the acceptance of a grant, the City Manager and City Council shall:

1. Approve the terms and conditions of the proposed grant including the specific City obligations that may be created by the grant contract in terms of required City matching expenditures or staff activities, *even if the expenditures were previously appropriated through the budget adoption process.*

2. Approve budget appropriations for the grant expenditures and City matching expenditures unless previously appropriated through the budget adoption process.
3. Approve and execute the Grant Contract(s).

Note: The City Council review and approval of items 1 and 3 are not required if the grant is under \$30,000 however, Council expenditure appropriation is required for all new appropriations in excess of \$10,000 or as otherwise specified by Council Policy F-3.

Any budget amendments requested by the Program Administrator or operating department shall be reviewed by the Accounting Division of the Administrative Services Department and submitted as a staff report to the Council for their review and approval. The Accounting Division of the Administrative Services Department along with the Program Administrator shall determine the proper amount of the appropriation request during the current and future fiscal year(s).

C. Timely Reimbursement

The Program Administrator is responsible and should pursue and/or request grant reimbursements or draw-downs on a timely basis. If requested, the Accounting Division of the Administrative Services Department will assist with grant reimbursements or draw-downs. All checks shall be made payable to the City of Newport Beach and remitted to Program Administrator.

Grant checks should be deposited immediately with the City Treasurer along with supporting documentation received by the Program Administrator. Copies should also be forwarded to the Accounting Division of the Administrative Services Department.

The Program Administrator will keep the Accounting Division of the Administrative Services apprised of the annual estimated grant revenues and expenditures and a tentative schedule of cash-flows for the grant program.

D. Financial and Grant Reporting

Grant reporting requirements vary widely by grant and sometimes include monthly, quarterly, and or annual reporting. Subsequent to the approval of a grant application, and during the project period, any required reports shall be the responsibility of the Program Administrator, or if requested by the Program Administrator, the Accounting Division of the Administrative Services Department. Program Administrators submitting their own reports shall forward a copy of each report to the Accounting Division of the Administrative Services Department.

E. Grants Containing Direct Federal Assistance of Federal "Pass-Through" Funds

Program Administrators acknowledge that Federal Funds or Federal Funds that "pass-through" state and local programs are required to be reported on the City's Schedule of Federal Financial Assistance and included in the City's annual Single Audit (compliance audit of all Federal Funds). Program Administrators will identify and keep the Accounting Division apprised of those grant programs that contain direct Federal Funding or Federal pass-through funds identifying the Catalog of Federal Domestic Assistance (CFDA) number when at all possible.

F. Record Keeping & Retention Requirements

For the purpose of Grantor inquiries and grant specific compliance audits, Program Administrators are responsible for maintaining adequate records to evidence that program activities and expenditures met the terms and conditions of the grant and that all grant reporting requirements were met timely. Record retention requirements vary by grant but it is recommended that grant records should be maintained for a minimum of the life-of-the-grant plus three years, unless otherwise specified by the grant contract.

G. Documents to be forwarded to Accounting:

Information received from a granting or donor agency that is pertinent to the terms, conditions, approval, extension, denial, revocation, and administration of a grant shall be forwarded to the Accounting Division of the Administrative Services Department including but not limited to:

Grant Award Notification
Expenditure Authorization Date (if applicable)
Grant Contracts
Grant Extension Letters
Grant Termination Letter
Program and or Financial Reports
Notices of Questioned Costs or instances of non-compliance
Any Document setting or modifying terms and conditions of the grant

Adopted – September 13, 2005